with each one of them is, of course, obviously impossible, since the rate at which, for example, wheat and pig-iron are being produced necessarily varies from time to time as compared with one another. Variations in the price of wheat and pig-iron are thus inevitable, but it can at least be claimed by idealists in currency matters that some form of currency might possibly be devised, the amount of which might always be in agreement with the amount of the total output of saleable goods, in the widest sense of the word, that is being created for man's use.

It need not be said that this desirability of a constant agreement between the volume of currency and the volume of goods coming forward for exchange is based on what is called the quantitative theory of money. This theory is still occasionally called in question, but is on the whole accepted by most economists of to-day, and seems to me to be a mere arithmetical truism if we only make the meaning of the word " currency " wide enough; that is to say, if we define it as including all kinds of commodities, including pieces of paper and credit instruments, which are normally accepted in payment for goods and services. This addition of credit instruments, however, is a complication which has considerably confused the problem of gold as the best means of ultimate payment. Taken simply

by itself the quantitative theory of money merely says that if money of all kinds is increased more rapidly than goods, then the buying power of money will decline, and the prices of goods will go up and vice versa.